



**CALIFORNIA
HIGH-SPEED RAIL
AUTHORITY**

BRIEFING: JULY 2010 FINANCE COMMITTEE AGENDA ITEM #2

DATE: July 1, 2010

TO: Board Members Tom Umberg, David Crane and Lynn Schenk

FROM: Roelof van Ark, Chief Executive Officer

RE: Agenda Item #2 – Financial Consulting Services Request for Proposal

Discussion:

In August 2006 the Authority issued a Request for Proposal to hire a consultant for the development of a “Financial Plan”. At that time the Authority was moving from the planning phase of the project into detailed environmental analysis and initial engineering. With the information gathered during the Program Environmental process a “scope of work” was developed that would fit the Authority’s needs during that start-up phase.

During the ensuing years the financial situation for the high-speed train project has been maturing and more details regarding the project are continuing to emerge. As the picture of the California high-speed train program comes into focus it has become evident that in order to see this project to fruition a more comprehensive approach to financing is needed. In addition to state and federal financing, worldwide there is increasing experience with vendor financing, public-private partnerships, local government financing, transit-oriented development, naming rights, and other approaches. In addition, validation of the high-speed train project through the passage of Proposition 1A and the awarding of American Reinvestment and Recovery Act funds has affected reporting requirements. The Authority needs to have the ability to respond quickly and accurately to these requests, as well as to provide periodic financial updates.

As this project moves closer to final design and construction the Authority must become more aggressive in identifying, pursuing, negotiating and securing funding for the project. The current contract scope of work does not allow for sufficient flexibility in those regards, nor does it include the resources needed to respond to inquiries and the preparation of updates to the financing plan.

Recommendation:

That the board authorize the Chief Executive Officer to finalize and issue the Request for Proposal for Financial Consulting Services, and to take the necessary steps to evaluate and select a qualified team for board approval in September 2010.

Attachments:

- ✓ Draft Request for Proposal for Financial Consulting Services
- ✓ Resolution HSR11-01